Congress of the United States

Washington, DC 20515
September 8, 2022

The Honorable Joseph R. Biden President The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear President Biden,

Thank you for your leadership on the Inflation Reduction Act. We were proud to pass this bill—which makes vital energy and climate investments, lowers health care and prescription drug costs, improves tax collection, and reduces the federal budget deficit—and see it signed into law last month. However, to ensure the bill reduces long-term deficits to the degree originally intended, the Trump-era prescription drug rebate rule should be permanently repealed. This will ensure that it is not implemented in 2032 and cannot be used to offset additional spending in the future.

The original Inflation Reduction Act would have permanently prohibited implementation of the Rule Relating to Eliminating the Anti-Kick-Back Statute Safe Harbor Protection for Prescription Drug Rebates. This provision would have saved \$122 billion through 2031 and, according to the nonpartisan Committee for a Responsible Federal Budget, more than \$500 billion over two decades. However, due to Senate rules, full repeal of the rule could not be included in the Inflation Reduction Act. As a result, the decision was made to delay implementation of the rule instead.

While delaying implementation of the rule provides significant savings, long-term deficit reduction is substantially reduced absent full repeal. Your administration has the authority to fix this problem and achieve the full amount of long-term deficit reduction intended in the Inflation Reduction Act.

We ask that you restore the promise of the Inflation Reduction Act and begin the process of permanently revoking the rebate rule while investigating new ways to protect consumers at the pharmacy counter. Thank you for your consideration.

Sincerely,

Scott H. Peters Member of Congress

Kathleen M. Rice

Member of Congress

Earl Blumenauer Member of Congress

Jimmy Panetta Member of Congress

Chris Pappas
Member of Congress

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Member of Congress

Kurt Schrader

Member of Congress

Carlyn Bourdeaux

Carolyn Bourdeaux

Member of Congress

Stephanie Murphy

Member of Congress